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CENTRAL INTELLIGENCE AGENCY

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25X1XSUPPLEMENT TO
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The following report is a copy of the translation of an undated, anonymous Chinese Communist document which is one of a group dealing with the general subject of foreign trade.*

Outlines of the New China Foreign Trade Plan.

1. The New China Foreign Trade Plan should be based upon the new democratic trade policy of "free domestic trade and controlled foreign trade." The government shall organize foreign trade control organs to be responsible for administering control.
2. The New China Foreign Trade will aim at the new democratic national economic guiding principle of "develop production, attain economic prosperity, consideration for both public and private enterprise, and benefits to both the laborer and the proprietor."

Demarcation will be made between the fields of state-operated enterprise and private enterprise. For example, the importation of petroleum, cotton, heavy industrial machinery and raw materials, and the exportation of soya beans, tung oil, bristles and cotton piece goods, shall all be managed by the state. The importation of tools and raw materials for light industrial production, and the exportation of secondary farm products and handicraft products, shall all be handled by the people.

3. The New China Foreign Trade shall seek to prevent the loss of balance in imports and exports. The government control organ shall prescribe detailed regulations to require the use of foreign exchange obtained from exports in the importation of essential production tools and industrial raw materials. It should also be established that foreign exchange acquired through state-operated trade shall be used mainly for the importation of petroleum, cotton and heavy industrial material, whereas light industries shall be allowed to use their self-earned foreign exchange for the purchase of necessary materials.

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4. The New China Foreign Trade should start with encouraging exports and promoting handicraft industry. Agencies for promoting foreign trade should be established at important foreign ports to exploit and expand the markets, to supply samples, and to assist in the completion of import procedures so as to enable the export of more farm products and handicraft products at home. Trade agencies in foreign countries may be delegated and financed by the government to undertake the said services.

5. In the New China Foreign Trade, attention should be given to investigation and statistics.

Investigation should be made, and statistics compiled, on vital imports and exports as to their categories, quantities and statistics of production and consumption, in order to provide the foreign trade business with material for reference. Agencies for such work are to be established by the government, while economic research organs at home and abroad may also be delegated for cooperative service.

6. In the New China Foreign Trade, inspection agencies should be established for both import and export goods to inspect the industrial raw material at important ports. Any goods inconsistent with the required import and export standard shall be banned from import or export, as the case may be.
7. In the New China Foreign Trade the government shall give assistance to import and export activities in matters related to capital (banks), transportation (ships and rail), insurance, subsidies, wharf and godown installations, etc. Smooth operation in foreign trade must be attained.
8. In the initial period of the New China Foreign Trade, in order to attain the ends of collective purchase and sales, experienced bona fide merchants may be delegated to undertake purchases and sales and given 1 percent to 2 percent agency fees upon discretion. The government will accord trading opportunities only, and will not be responsible for trading expenses.

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